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OSLO FOR HELENA SCHRADER  
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STATE PASS TRANSPORTATION FOR MARAD  
STATE PASS OPIC FOR ZHAN AND MSTUCKART  
STATE PASS TDA FOR NCABOT  
STATE PASS EXIM FOR JRICHTER  
STATE PASS USAID FOR GWEYNAND AND SLAWAETZ

E.O. 12958: N/A  
TAGS: PGOV PREL SENV NI  
SUBJECT: NIGERIA: STAFFDEL MEETING WITH DELTA STATE  
GOVERNMENT

REF: A. ABUJA 643

1B. LAGOS 64

11. (SBU) Summary: In a 27 March meeting with Senate Foreign Relations Committee Staff members (Staffdel) Michael Phelan and Neil Brown, Godwin Akpobire (Head of the Delta State Integrated Development Project) complained that international donors insufficiently consult with state governments when conducting projects in their territories. Akpobire blamed foreigners and Nigerians from outside the Niger Delta for oil theft and the proliferation of small arms. Fiscal responsibility and government procurement legislation have been introduced in the state assembly, but Akpobire criticized the state auditors and said he supported civil society and community oversight of government spending. End Summary.

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International Donors Do Not Consult States  
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12. (SBU) Godwin Akpobire, Head of the Delta State Integrated Development Project (under the office of Delta State Governor Emmanuel Uduaghan, People's Democratic Party), told Michael Phelan and Neil Brown, staff members from the Senate Foreign Relations Committee, that international donors do not consult enough with state governments on the conception, implementation, and monitoring of donor projects. Akpobire was dismayed that international donors often prefer to offer "monitoring assistance" without addressing actual project needs or costs, especially when states contribute matching funds. In cases where donors do conduct direct projects, foreign aid agencies act without notifying the state government, Akpobire chided. He said he would request auditors visit donor projects in Delta state to assess their

completion and how they could be more efficient or enhanced. Akpobire thought state relations with donor agencies would improve if there were a better vehicle for direct communication and collaboration and he claimed intermediaries encumber government access to donors and only build mistrust.

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Foreigners Responsible for Oil Bunkering,  
Arms Proliferation  
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¶ 3. (SBU) Akpobire blamed outsiders and not Niger Delta residents for oil theft and the proliferation of small arms in the region. The complexity and scale of oil theft operations demands far more organizational capability, political connections, and financial resources than are available to the average local living in the creeks and swamps of Delta State, said Akpobire. While some locals are likely involved in the theft rings as manual laborers, outsiders are responsible for selling the oil, coordinating its transfer to receiving vessels, providing security, and facilitating financial transactions. Moreover, he placed the blame principally on oil buyers, noting that theft will happen only as long as there are buyers for illicit oil (Ref A). Akpobire took the opposite tack on small arms in the Niger Delta, complaining that as long as outsiders sell arms to groups in the Niger Delta, the proliferation of weapons will continue.

¶ 4. (SBU) Discussing the unrest in the Niger Delta, Akpobire said the Delta State government understands the genesis of militancy and criminality (began by youth rebelling against corrupt traditional rulers and oil companies in the late 1990s), and is working with militant leaders such as Tom Polo

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to transform Delta into a safe state. Akpobire said Tom Polo is the largest private employer of youth in Delta State and reliably pays his workers, who simply want meaningful jobs. (Note: In addition to his militant and criminal organizations, Tom Polo runs several small oilfield services businesses. End Note.) He credited the state government's efforts with these groups and its work with the Delta State Oil Producing Areas Development Commission (DESOPADEC) (Ref B) for eliminating attacks on and kidnapping of expatriates in recent months.

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Delta State Ready to Pursue Fiscal Responsibility  
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¶ 5. (SBU) Akpobire lauded the federal government's passage of a fiscal responsibility law and thought this would facilitate passage of such laws at the state level. Akpobire said a member of the Delta state legislature recently introduced a fiscal responsibility and government procurement bill and he noted the bill is currently being reviewed by a working committee of the legislature.

¶ 6. (SBU) In addition, Akpobire advocated increased oversight of government contracts to guard against corruption, but complained state government inspectors and auditors are not up to the task. He suggested encouraging civil society and communities to monitor contracts and contractor performance. He also envisioned an oversight board similar to that governing the Nigerian Extractive Industries Transparency Initiative (NEITI) that could hold state government accountable for revenue spending and procurement processes.

¶ 7. (SBU) Comment: Akpobire's complaints that international donors fail to coordinate with state governments have been raised by other government contacts in southern Nigeria. He was quick to blame Niger Delta outsiders for oil bunkering and small arms trafficking, pointing a finger alternately at the demand side in oil theft and the supply side in arms sales. While his comments suggest a concern over foreign

disregard for local interests and foreign causation of local problems, they are also an example of a distressing tendency of some Niger Delta officials to refuse to acknowledge the role they and their organizations play in sustaining poverty and unrest in the region. For our part, there are a range of agencies and sections that have sought and continue to work with reforming state governments to be responsive to Niger Delta community needs, in addition to their work with NGO and civil society groups. End Comment.

**¶8.** (U) This cable has been cleared by Embassy Abuja.  
BLAIR